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DE RUEHBR #1498 2181219
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FM AMEMBASSY BRASILIA
TO RUEHC/SECSTATE WASHDC PRIORITY 9681
INFO RUEHAC/AMEMBASSY ASUNCION 6245
RUEHBU/AMEMBASSY BUENOS AIRES 4949
RUEHLP/AMEMBASSY LA PAZ AUG MONTEVIDEO 6991
RUEHBJ/AMEMBASSY BEIJING 0333
RUEHNE/AMEMBASSY NEW DEHLI 0312
RUEHBS/USEU BRUSSELS
RUEHRI/AMCONSUL RIO DE JANEIRO 4902
RUEHSO/AMCONSUL SAO PAULO 0556

UNCLAS BRASILIA 001498

SIPDIS

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STATE FOR OES/ETC
STATE FOR WHA/EPSC L KUBISKE
STATE PLEASE PASS TO EPA FOR CAM HILL-MACON AND SHOFFMAN
STATE PLEASE PASS TO USGS FOR JEAN WEAVER AND JOHN GRAY
STATE PLEASE PASS TO USDA

E.O. 12958: N/A

TAGS: [SENV](#) [TBIO](#) [PGOV](#) [ECON](#) [XR](#) [BR](#)

SUBJECT: THE SOYBEAN MORATORIUM, ONE YEAR LATER

REF: 06 BRASILIA 2048

¶1. (U) Summary: On July 24, 2007, NGOs involved in the pact for sustainable soy in the Amazon - the soy moratorium - such as Greenpeace and The Nature Conservancy, met in Sao Paulo with representatives of the soybean industry and large-scale European consumers to evaluate the results of the one year moratorium. Among other outcomes, the group agreed that the pact has been successful in that it built partnerships between the environmental sector and business enterprises. On the other hand, there has been a lack of tracking tools to guarantee that the harvested soy hasn't induced deforestation. At this point, it is not clear whether the pact will be extended. End Summary.

¶2. (U) Most of the large soybean crushing plants agree that mapping soybean production in the Amazon biome can be a tool to force soybean producers to obey the Brazilian Forest Code (NOTE: This code specifies that eighty percent of forested property in the Amazon must be set-aside as a legal reserve. In addition, riparian areas and other areas of ecological importance must be left intact as areas of permanent protection). In other words, not only will soybean producers have to stop felling trees, but any farmer who doesn't have a legal reserve and intact riparian areas near rivers and springs will not be able to sell his/her harvest.

¶3. (U) There are still some [in the soybean industry] who believe, though, that the mapping should only focus on newly deforested areas and that illegal logging should be the reason for banning a product from the market.

¶4. (U) According to Brazil's Statistics and Geography Institute (IBGE), last year the amount of land used for soybean plantation increased 0.7% in the Amazon biome, reaching a total of 517,900 hectares. In the state of Rondonia alone, there was an increase of 30% in soybean plantations, totaling 103,000 hectares. The State of Mato Grosso, though, is a separate case. Statistics show a reduction of 4.8% in the area of soybean plantations. Brazilian NGO Imazon has pointed out that deforestation rates have reduced by 40% in the State.

¶5. (U) During the one-year anniversary of the moratorium, European consumers signaled that they are willing to extend the pact, planned to last for two years, if suppliers are unable to legalize their activities. There was also a "discreet" mention during discussion of the possibility of applying the responsible production of grains to other biomes in the country.

¶6. A note from FAS/Brazil: The producer group APROSOJA from Mato Grosso, Brazil's largest state for soybean production, claims the

moratorium was forced upon them without negotiation by organizations such as ABIOVE that represent multinationals (Cargill, Bunge, ADM, etc). In their opinion, in order for these companies to save their image from being that of "destroyers of the Amazon" they are looking to pass the blame and responsibility on to the farmers.

¶7. In addition, producers see the moratorium as an affront to Brazilian legislation. Brazilian law allows 20% of farmers' land in the Amazon biome be planted, while the rest be left as forest reserve. They challenge that the moratorium conflicts with this legislation. In their opinion, the current legislation is more affective than the moratorium and easier to enforce.

¶8. In fact, APROSOJA challenges that after one year, no report has been released informing how the moratorium has been enforced, if indeed Multinationals refused to buy soy produced soy in the Amazon Biome, and in what amount. They call it a marketing technique to improve how consumers and European supermarkets and financiers view the multinationals' Brazilian operations.

¶9. APROSOJA has decided not to talk to the press on their views in the media in order to avoid conflicts and polarization with ABIOVE and ANEC, who form an important part of the supply chain.

SOBEL